JOSEPHINE MINING CORP.
(formerly Green Park Capital Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited- Expressed in Canadian dollars)

Periods ended March 31, 2012 and 2011

Introduction

This management discussion and analysis is dated May 25, 2012 and is in respect of the periods ended March 31, 2012 and March 31, 2011. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. References to “US$” mean United States dollars.

The following discussion of the financial condition and results of operations of the Company should be read in conjunction with its condensed interim consolidated financial statements and related notes for the periods ended March 31, 2012 and March 31, 2011. This section contains forward-looking statements that involve risks and uncertainties. The Company’s actual results may differ materially from those discussed in forward-looking statements as a result of various factors, including those described under “Forward-Looking Information”.

Forward Looking Information

Certain statements in this MD&A are forward-looking statements or information (collectively “forward-looking statements”). The Company is hereby providing cautionary statements identifying important factors that could cause the actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as “may”, “is expected to”, “anticipates”, “estimates”, “intends”, “plans”, “projection”, “could”, “vision”, “goals”, “objective” and “outlook”) are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Company has assumed that the current market for gold will continue to grow and that the risks listed below will not adversely impact the Company’s business.

Specific forward-looking statements include:

- a preliminary feasibility study will be completed in fourth quarter 2012.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; exploration, development and operating risks; regulatory risks; substantial capital requirements and liquidity; financing risks and dilution to shareholders; competition; reliance on management and dependence on key personnel; fluctuating mineral prices and marketability of minerals; title to properties; local resident concerns; no mineral reserves or mineral resources; environmental risks; governmental regulations and processing licenses and permits; conflicts of interest of management; uninsurable risks; exposure to potential litigation; dividends; and other factors beyond the control of the Company.

Furthermore, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events.

New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Overall Performance

The Company is a mineral exploration company incorporated under the laws of British Columbia and, together with its subsidiaries, is engaged in the exploration and development of the Turner Gold Property in southern Oregon. Prior to March 24, 2011, the Company was classified as a Capital Pool Company within the meaning ascribed by the TSX Venture Exchange (the "Exchange") policy and the British Columbia Securities Act.

On March 24, 2011, the Company completed its Qualifying Transaction, as defined under the rules of the Exchange, when its wholly-owned subsidiary 0890810 B.C. Ltd. ("Subco") amalgamated with 0854742 B.C. Ltd. ("0854742"), formerly known as Josephine Mining Corp. Since incorporation, 0854742's sole activities have related to the acquisition and exploration of the Turner Gold Property (including ancillary properties).

In March 2008, the Company completed an initial public offering of 3,000,000 common shares. The Company's shares began trading on the Exchange on March 24, 2008 under the trading symbol "GRP.P".

In March 2010, the Company entered into a letter agreement to purchase all of the issued and outstanding securities of 0854742. The acquisition of 0854742, then known as Josephine Mining Corp., constituted the Company's Qualifying Transaction under the policies of the Exchange. 0854742 was at arm's length to the Company. On March 24, 2011, the Qualifying Transaction was completed.

On October 19, 2010, the Company's listing transferred to NEX, a separate board of the Exchange, as a result of not completing its Qualifying Transaction in the prescribed time frame. The trading symbol for the Company was changed from "GRP.P" to "GRP.H" upon transfer to NEX.

In connection with the Qualifying Transaction, the Company changed its name to Josephine Mining Corp., ceased to be a Capital Pool Company ("CPC") as defined in Policy 2.4 of the Exchange and commenced trading as a Tier 2 mining issuer on the Exchange on March 29, 2011. On commencement of trading the Company's trading symbol changing from "GRP.H" to "JMC".

Current Highlights

The Company announced the resignation of its CFO and director, R. Llee Chapman, in a news release dated April 4, 2012. Due to his resignation, 150,000 options were forfeited.

Turner Gold Property

Located in southern Oregon, the Turner Gold Property is the Company's primary property and the focus of all of its operations to date.

On June 30, 2009, 0854742 entered into an agreement with Russell Mining & Minerals, Inc. (“RMMI”), a British Columbia corporation that is not at arm’s length to the Company due to common management and the fact that it is the Company’s largest shareholder. Pursuant to this agreement, 0854742 acquired the rights to explore the Turner Gold Property in exchange for shares of 0854742, warrants to acquire shares of 0854742 and US$1,500,000 due in installments after commencement of commercial production from the Turner Gold Property.

Since 0854742 amalgamated with Subco immediately prior to the Qualifying Transaction, the Company obtained the rights to explore the Turner Gold Property by completing the Qualifying Transaction.

Pursuant to an agreement dated June 26, 2009, between 0854742 and General Moly, Inc. (“GMI”), 0854742 acquired an option to purchase a 100% interest in the Turner Gold Property and certain properties contiguous to the Turner Gold Property. The option agreement required a US$100,000 payment upon inception of the agreement, a US$300,000 payment on December 26, 2010 and a US$1,600,000 payment upon the earlier of December 26, 2011 and 0854742 obtaining all permits and approvals to commence mining operations at the Turner Gold Property. The Company has negotiated an extension of the payment so that US$300,000 was paid by December 26, 2011, and US$1,350,000 is due upon the earlier of September 28, 2012, and the Company obtaining all permits and approvals to commence mining operations at the Turner Gold Property. As of the date hereof, the Company, through its subsidiaries, has made all payments required by the property option agreement.

During the option term, the Company will have possession of and maintain the Turner Gold Property, including paying all claim maintenance fees. GMI retains a net smelter royalty (“NSR”) on the Turner Gold Property, entitling GMI to 1.5% of all net smelter returns on future production of all metals from the Turner Gold Property. The NSR is to be calculated by deduction from gross sale proceeds of all minerals from the Turner Gold Property of the following: sales taxes, transportation costs, smelting and refinement costs, and all assaying and umpire fees.

Summary of Quarterly Results

A summary of selected financial information for the periods ended March 31, 2012 and March 31, 2011 is as follows:

Two Year Quarterly Financial Data

Period End	June 30/10	Sept 30/10	Dec 31/10	Mar 31/11
Total Revenue ($)	-	-	-	-
Total Income (loss) ($)	(211,064)	(79,263)	2,609	(637,149)
Income (loss) per share ($)	(0.02)	(0.01)	(0.01)	(0.23)
Period End	Jun 30/11	Sept 30/11	Dec 31/11	Mar 31/12
Total Revenue ($)	-	-	-	-
Total Income (loss) ($)	(773,329)	(818,186)	(782,453)	(341,383)
Income (loss) per share ($)	(0.03)	(0.03)	(0.03)	(0.01)

Results of Operations

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards and are expressed in Canadian dollars. During 2011, the Company changed its year-end from November 30 to December 31.

Periods ended March 31, 2012 and March 31, 2011

Total Net Loss and Operating Expenses

For the period ended March 31, 2012, the Company generated a net loss of $341,383, or $0.01 per share, compared to net loss of $637,149, or $0.23 per share, for the period ended March 31, 2011. The primary reason for the decrease in net loss was the decrease in operations during 2012 including general and administrative costs. For the period ended March 31, 2011, there was a $458,329 public company listing expense incurred in conjunction with the Qualifying Transaction and was included in the calculation of net loss for the period ending March 31, 2011. This public company listing expense was calculated in accordance with IFRS 2 – Share Based Payment and reflects the fair value of the consideration transferred pursuant to the Qualifying Transaction less the value of net assets acquired in the Qualifying Transaction.

General and administrative expenses for the period ended March 31, 2012, was $183,584, as compared to $138,396 for the period ended March 31, 2011. The increase in general and administrative expenses during the period ended March 31, 2012, was primarily as a result of management fees charged by RMMI. Results for the period ended March 31, 2012, also included a significant decrease in payroll expenses due to the reversal of bonus accruals as well as increased stock based compensation expense compared to the period ended March 31, 2011.

The Company capitalized US$104,330 in exploration expenses during the period ended March 31, 2012. The Company capitalized US$40,180 in exploration expenses during the period ended March 31, 2011. All of the company's exploration expenditures related to the Turner Gold Property in both the periods ended March 31, 2012 and March 31, 2011. Increase in capitalization was due to increased operations on the Turner Gold Property.

Outlook

The Company's main focus is to bring its Turner Gold Property into production. Work in respect to environmental, geotechnical and mine design is ongoing with a view of completing a preliminary feasibility study in 2012. A 12,000+ foot drilling program has been completed and will provide further information as to structure and reportable resources.

The Company anticipates raising additional funds in the equity markets this year in order to meet its capital needs. Although the price of gold and silver remains high, equity markets have pulled back in recent months.

Capital Resources and Liquidity

As at March 31, 2012, the Company had cash and cash equivalents of $23,448 compared to $728,272 on December 31, 2011. Working capital deficit as at March 31, 2012 was $324,912 as compared to a working capital of $8,703 as at December 31, 2011. The decrease in working capital was primarily a result of not completing another financing.

The Company manages liquidity risk through maintaining sufficient cash or credit terms with its suppliers to meet the operating requirements of the business and investing excess funds in highly liquid short term cash deposits. Maintaining surplus working capital in highly liquid short term deposits allows the Company to meet its primary objectives by being able to fund new development and acquisition opportunities at short notice.

Contractual Obligations

On June 26, 2009, 0854742, then known as Josephine Mining Corp., entered into an option to purchase agreement (the "Option") for land, patented mining claims and unpatented mining claims in Josephine County, Oregon, USA. This Option relates to a mineral exploration property known as the Turner Gold Property and related properties. The Option gives the Company the exclusive option to purchase the property for a period of eighteen (18) months commencing June 26, 2009. 0854742 made an initial payment of US$100,000 pursuant to this agreement. The Option provided for the extension of the Option term for an additional twelve months as a result of an additional payment of US$300,000 on December 26, 2010, increasing the Option term to thirty (30) months.

On December 14, 2010, the Option was amended to extend the payment date on the remaining US$300,000 payment due on December 26, 2010. 0854742 was required to pay US$15,000 by December 26, 2010 and the balance of US$285,000 was to be paid on or before January 25, 2011. 0854742 made the US$300,000 extension payment on December 26, 2010 and therefore the Option term increased to thirty months from the effective date of June 26, 2009.

The total purchase price of the property is US$2,000,000, and all payments made on the Option terms apply to the final purchase price. The Company negotiated an additional extension to the Option in 2011, so that the Company paid US$300,000 by December 26, 2011 and US$1,350,000 is due in full upon the earlier of September 28, 2012, or upon the Company obtaining all permits and/or approvals necessary to commence mining operations plus three months from the date of the execution of the permit. All payments made on the Option terms apply to the final purchase price except US$50,000 from the last payment that was paid for the extension.

If the Company does not exercise the Option and purchase the Turner Gold Property, all amounts paid by the Company are forfeited.

On June 18, 2011, the Company entered into an Option to Purchase agreement for approximately 333 acres of land in Josephine County, Oregon. The agreement gives the Company the exclusive option to purchase the property for a period of twelve (12) months commencing June 18, 2011. The Company made an initial payment of US$25,000 pursuant to this agreement. The contract provides for an extension of the Option term for an additional twelve (12) months via an additional payment of US$25,000 by June 30, 2012. The contract provides for an additional extension of the Option term for an additional twenty-four (24) months via an additional payment of US$50,000 by June 30, 2013.

The total purchase price of the property is US$925,000 and all payments made on the Option terms apply to the final purchase price. In the event the Company utilizes all extensions allowed in the contract, the remaining US$825,000 is due in full upon the earlier of June 30, 2015, or upon the Company obtaining all permits and/or approvals necessary to commence mining operations plus three months from the date of the execution of the permit.

If the Company does not exercise the Option and purchase the land, all amounts paid by the Company are forfeited.

Transactions with Related Parties

On June 22, 2009, 0854742 entered into a finder's agreement with Russell Mining and Minerals Inc. ("RMMI") for the mining claims located in Josephine County, Oregon. Pursuant to this agreement, RMMI agreed to advance the Company funds and provide the technical support to complete a reserve study on the claims. The agreement also contemplates RMMI and the Company entering into a management agreement for RMMI to provide technical and administrative services to the Company.

In return, the Company agreed to pay RMMI the following:

- 10,500,010 common shares of 0854742 (issued during the period ended December 31, 2009);
- 5,250,000 warrants to acquire shares of 0854742, each with a 5 year term and an exercise price of US$1.50 (issued during the period ended December 31, 2009);
- 5,250,000 warrants to acquire shares of 0854742, each with a 5 year term and an exercise price of US$2.00 (issued during the period ended December 31, 2009);
- A fee of $1,500,000 USD due in 24 equal installments beginning when production begins on the property.

Pursuant to the Qualifying Transaction, the Company issued 10,500,010 shares to RMMI in exchange for the 10,500,010 common shares of 0854742. The Company also granted 10,500,000 finder's warrants to RMMI to replace the finder's warrants granted to RMMI by 0854742.

The Company is party to a consulting agreement with RMMI dated April 15, 2009, pursuant to which RMMI provides services and office space. The Company utilized management services of RMMI in the amount of $75,150 for the period ended March 31, 2012. During the period ended March 31, 2012, the Company incurred $8,168 in rent expense to RMMI. The Company's accrued liabilities-related parties as at March 31, 2012 included $131,049 (2011- $0) owing to RMMI.

The Company's legal counsel at Norton Rose Canada LLP ("Norton Rose") is also a related party due to the fact that one of the firm's lawyers is the corporate secretary. Norton Rose billed the Company $19,919 (2011- $37,135) during the period ended March 31, 2012. The Company owed Norton Rose $16,192 (2011- $37,135) at March 31, 2012, which is included in accounts payable.

St. Augustine Gold & Copper Ltd. (“SAGC”), a company related due to common management, billed the Company $1,684 (2011-$0) for the period ending March 31, 2012. The Company’s accrued liabilities-related parties as at March 31, 2012 included $18,467 (2011- $0) owing to SAGC.

The above transactions were conducted in the normal course of operations and measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties and which is similar to those negotiated with third parties.

Off Balance Sheet Arrangements

As at March 31, 2012, the Company had no material off balance sheet arrangements.

Financial Instruments and Other Instruments

The fair values of the Company’s cash and cash equivalents, accounts receivable and accounts payables approximate their carrying values because of the short-term nature of these instruments.

The Company’s financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, and commodity price risk.

a) Currency risk

The Company’s property interests in the United States make it subject to foreign currency fluctuations which may adversely affect the Company’s financial position, results of operations and cash flows. The Company is affected by changes in exchange rates between the Canadian Dollar and foreign functional currencies. The Company does not invest in foreign currency contracts to mitigate the risks. A 10% change in the US dollar exchange rate relative to the Canadian dollar would change the Company’s net loss by $8,734.

As at March 31, 2012 and March 31, 2011, the following balances are denominated in US dollars:

As at		March 31, 2012		December 31, 2011
Cash and cash equivalents	$	31,676	$	400,255
Prepaid expenses		18,758		37,117
Acounts receivable		950		484
Property and equipment		71,187		78,481
Mineral properties		5,056,555		4,952,225
Deposits		38,164		77,326
Accounts payable and accrued liabilities		145,676		185,508
Accrued liabilities- related parties		149,966		52,009

b) Credit risk

The Company’s cash and cash equivalents are held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper in its short-term investments. The

Company's receivable consists of goods and services tax due from the federal government of Canada.

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital structure.

Accounts payable and accrued liabilities are due within twelve months of the balance sheet date.

d) Commodity price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of gold and other precious metals. The Company has not hedged any of its potential future gold sales. The Company's input costs are also affected by the price of fuel. The Company monitors gold and fuel prices to determine the appropriate course of action to be taken by the Company.

Outstanding Share Data

As at May 25, 2012 the Company's outstanding equity securities are described as follows:

	Outstanding
Voting equity securities issued and outstanding	25,451,010 common shares
Securities convertible or exercisable into voting equity securities – stock options	Stock options to acquire up to 3,041,500 common shares
Securities convertible or exercisable into voting equity securities – warrants	Warrants to acquire up to 17,493,000 common shares

Risks and Uncertainties

<u>No History of Earnings</u>

The Company has no history of earnings. Additional external financing will be required to develop the Turner Gold Property. There can be no assurances that any of the Company's properties contain an economic ore body.

<u>Title Risks</u>

Although the Company has exercised due diligence with respect to determining title to the properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. Until competing interests, if any, in the mineral lands have been determined, the Company can give no assurance as to the validity of title to those lands or the size of such mineral lands.

Exploration and Development

Resource exploration and development is a highly speculative business activity, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The marketability of minerals the Company may acquire or discover may be affected by numerous factors that are beyond its control and that cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, the import and export of minerals and environmental protection, the combination of such factors may result in the Company not receiving an adequate return of investment capital.

The Turner Gold Property is in the development stage and is without a known commercially-mineable ore body.

There is no assurance that the Company’s mineral exploration and development activities will result in any discoveries of commercial bodies of ore. The long-term profitability of its operations will in part be directly related to the costs and success of its development programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The Company is required to obtain required permits from various government departments to carry out its work programs. There is no guarantee all required permits will be granted on terms satisfactory to the Company, or at all. If such permits are not received, the Company may not be able to carry out or complete its business objectives.

Uninsured or Uninsurable Risks

Exploration, development and production of mineral properties is subject to certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to insure fully against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or for other reasons. Should such liabilities arise, they could have a material adverse impact on the Company’s operations and could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

Operating Hazards and Risks

Mineral exploration and development involves risks which even a combination of experience, knowledge and careful examination may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to hazards and risks normally incidental to exploration, developments and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. The nature of these risks is such that liabilities might exceed insurance policy limits, the liabilities and hazards might not be insurable or the Company may elect not to insure itself against such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon the Company's financial condition.

Environmental Risks, Regulations, Permits and Licenses and Other Regulatory Requirements

The Company's operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas that would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

The Company's operations, including development activities and commencement of production on its properties, require permits from various federal, provincial or territorial and local governmental authorities, and such operations are and will be governed by laws, and regulations governing prospecting, development, mining, production, exports, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require that the Company obtains permits from various governmental agencies. There can be no assurance, however, that all permits that the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which it might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fine or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Competition

The mining industry is intensely and increasingly competitive in all its phases, and the Company will compete with other companies that have greater financial and technical resources. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically and businesses compete for the technical expertise to find, develop, and produce such properties, the skilled labor to operate the properties and the capital for the purpose of financing development of such properties. Such competition could adversely affect the Company's ability to acquire suitable producing properties or prospects for mineral exploration, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties.

Dependence on Management and Directors

The Company is largely dependent on the performance of its directors and officers. There is no assurance the Company will be able to maintain the services of its directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and its prospects.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of metals or minerals being mined. There is no assurance that, even if commercial quantities of mineral resources are discovered, a profitable market will exist at the time of sale. Factors beyond the Company's control may affect the marketability of metals or minerals discovered, if any. Metal prices have fluctuated widely, particularly in recent years, and the Company will be affected by numerous factors beyond the control of the Company. The effect of these factors on the Company's operations cannot be predicted. If mineral prices decline significantly, it could affect the Company's decision to proceed with further exploration of its properties.

Future Financing

The Company's continued operation will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained on acceptable terms to the Company, if at all. Failure to obtain additional financing on a timely basis may result in delay or indefinite postponement of further exploration and development or forfeiture of some rights in some or all of the Company's properties. If additional financing is raised by the issuance of shares from treasury, control of the Company may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Company may not be able to further explore and develop its properties, take advantage of other opportunities, or otherwise remain in business. Events in the equity market may impact the Company's ability to raise additional capital in the future.

Future Acquisitions

As part of the Company's business strategy, it may seek to grow by acquiring companies, assets or establishing joint ventures that it believes will complement its current or future business. The Company may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for its business. The Company cannot guarantee that it can complete any acquisition it pursues on favorable terms, or that any acquisitions completed will ultimately benefit its business.

Volatility of Share Price

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the shares will be subject to market trends and conditions generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earning.

Conflicts of Interest

Certain directors and officers of the Company will and may continue to be involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers may conflict with the interest of the Company. Directors and officers of the Company with conflicts of interest will be subject to and follow procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Dividends

The Company has never paid a dividend on its common shares. It is not anticipated that the Company will pay any dividends on its common shares in the foreseeable future.

Adverse fluctuations in currency exchange rates

The Company will be subject to fluctuations in the rates of currency exchange between the Canadian dollar and the United States dollar and these fluctuations could materially affect the Company's financial position and results of operations as costs may be higher than anticipated. The costs of goods and services could increase due to changes in the value of the Canadian dollar or the United States dollar. Consequently, operation and development of the Company's properties might be more costly than the Company anticipates.

Current Global Economic Conditions

Recent market events and conditions, including disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, could impede the Company's access to capital or increase its cost of capital. Failure to raise capital when needed or on reasonable terms may have a material adverse effect on the Company's business, financial condition and results of operations.

Critical Accounting Policies and Estimates

Details regarding the Company’s accounting policies are presented in Note 4 to the consolidated financial statements for the periods ended December 31, 2011 and December 31, 2010. An analysis of the Company’s critical policies and estimates follows:

Statement of Compliance
These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations including International Accounting Standards (IAS) prevailing as of March 31, 2012, as issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

Statement of Compliance Analysis
Management has implemented internal controls over financial reporting and disclosure controls and procedures which management believes operate effectively. In addition to performing a rigorous period-end review of the close and financial reporting process, management analyzes its financial statements and related disclosures in relation to IFRS guidance effective for the reporting method. As of March 31, 2012, management determined that the financial statements, notes to the financial statements, and this MD&A are in compliance with IFRS and do not contain material misstatements of financial information or fact.

Exploration and Evaluation
The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs relating to the acquisition of, exploration for and development of mineral claims and crediting all revenues received against the cost of the related claims. Such costs include, but are not exclusive to, geological, geophysical studies, exploratory drilling and assaying. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on proven and probable reserves. The aggregate costs related to abandoned mineral claims are charged to operations at the time of any abandonment or when it has been determined that there is evidence of a permanent impairment.

The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain financing to complete development of the properties, and on future production or proceeds of disposition.

The Company recognizes in income costs recovered on mineral properties when amounts received or receivable are in excess of the carrying amount.

Upon transfer of “Exploration and Evaluation Costs” into “Mine Development,” all subsequent expenditure on the construction, installation or completion of infrastructure facilities will be capitalized within “Mine Development”. After production starts, all assets included in “Mine Development” will be transferred to “Producing Mines”.

All capitalized exploration and evaluation expenditures are monitored for indications of impairment. Where a potential impairment is indicated, assessments are performed for each area of interest. To the extent that an exploration expenditure is not expected to be recovered, it is charged to the results of operations. Exploration areas where reserves have been discovered, but require major capital expenditures before production can begin, are continually evaluated to ensure that commercial quantities of reserves exist or to ensure that additional exploration work is underway as planned.

Exploration and Evaluation Analysis
Management has performed a rigorous review of its contractual commitments and rights and IFRS 6- Exploration for and evaluation of mineral resources. The Company's expenditures included in the Company's mineral properties include those which have directly benefited the Turner Gold Project and which management has determined, based on an impairment analysis, to be recoverable.

The impact of the Company's treatment of capitalized expenses in respect of the Company's financial statements has been to increase the Company's assets and decrease net loss, as compared to a policy which expenses a higher proportion of Project expenditures.

Further information with respect to the Corporation can be found on its website at www.josephinemining.com and on the SEDAR website.